

## **MCC COMPACT SUPPORT FUNDING**

### **Summary of General Policy**

Section 609(g) of the Millennium Challenge Act of 2003 provides that the Chief Executive Officer may enter into contracts or make grants for any eligible country for the purpose of facilitating the development and implementation of the Compact between the United States and the country.

MCC believes that eligible countries should own and manage the identification of their priorities for poverty reduction through sustainable economic growth as well as the process of proposal development, and MCC encourages a country to look to and consult with its own citizens and resources in order to maximize country ownership of the proposal. However, during MCC's discussion with a given country regarding its proposal for MCC funding, technical assistance different from typical program assessment and evaluation may be warranted which is the purpose of 609(g) funding. While it is difficult to anticipate every scenario, 609(g) assistance could address such things as the economic reasoning of the proposal, statistical issues or baseline surveys, engineering feasibility and design, and environmental impact assessments. MCC will consider 609(g) funding for Compact development and implementation activities only in the event of a demonstrated and justified need for such funding. In determining whether to provide 609(g) funding during its preliminary evaluation of the country's Compact proposal, MCC will analyze such factors as the country's consultative process, whether the proposal is likely to generate meaningful economic benefits, and whether the country has demonstrated a significant commitment of human and financial resources to the identification of priorities and development of the proposal. In addition, MCC must be satisfied that: (i) adequate financial controls, in terms of financial management and procurement processes, have been identified and established for the 609(g) assistance; (ii) the country has developed an acceptable work plan (with timeline and estimated budget) for use of the 609(g) funding; and (iii) the 609(g) assistance will have value to the country independent and regardless of whether a Compact is ultimately signed. Other restrictions or requirements may apply as appropriate, including any statutory requirements.

A commitment by MCC to provide 609(g) funding is not a guarantee that a Compact agreement will be reached or that a specific project associated with the 609(g) assistance will be funded by MCC. MCC's policy on 609(g) funding may be modified or amended at any time at the discretion of the MCC Chief Executive Officer.